Foreign CROPS AND MARKETS

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NEW PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

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Milk Production in the Soviet Union: Recent Developments. FAS-M-58. 6 pp.

U. S. Summer Citrus: Outlook for Competition in Europe. Foreign Agriculture Circular FCF 2-59. 10 pp.

World Sheep Numbers Continue To Increase. Foreign Agriculture Circular FLM 5-59. 5 pp.

World Cattle Numbers Continue Rise in 1958. Foreign Agriculture Circular FLM 6-59.

Swedish Oilseed Output Above 1958's Small Crop. Foreign Agriculture Circular FFO 11-59. 8 pp.

P. L. 480, Title I Exports of Fats and Oils Running Ahead of Last Year. Foreign Agriculture Circular FFO 12-59. 4 pp.

RHODESIAN FLUE-CURED TOBACCO PRICES LOWER

During the first 11 weeks (through May 28) of 1959 auction sales, Rhodesian flue-cured tobacco prices averaged the equivalent of U.S. 34.9 cents per pound. For the corresponding period of 1958, prices averaged the equivalent of 39.9 cents.

Total sales in the first 11 weeks of the 1959 season were 64.6 million pounds, against 51.6 million for the comparable period a year ago.

SWEDISH CIGARETTE OUTPUT UP SHARPLY IN 1958

Output of cigarettes in Swedish tobacco factories increased sharply to 6,008 million pieces in 1958, from 4,900 million in 1957--a rise of 22.6 percent. Sales totaled 6,066 million, 5,575 million produced domestically, and 491 million imported--mainly from the United States. This indicates that a considerable number of cigarettes made in Sweden last year went into inventory.

Of last year's production, about 5,070 million pieces, or 84 percent, were American-blended type. Most of the remainder were classed as "modified oriental", similar to American-blended, except for larger proportions of oriental leaf. About 10 percent of total 1958 cigarette output consisted of filter-tips, compared with 5 percent in 1957.

Retail price increases of about 12 percent on April 1, 1958, held the gain in cigarette consumption last year to relatively small proportions. A further small rise in sales, however, is expected in 1959.

Sales of smoking tobacco picked up in 1958--3.2 million pounds, compared with 2.9 million in 1957. Snuff consumption dropped a little, to 5.9 million pounds. Sales of cigars and cigarillos rose to 158 million pieces, compared with 155 million in 1957.

DOMINICAN REPUBLIC INCREASES CIGARETTE TAXES

Effective May 4, the Dominican Republic placed an additional tax on both domestic and imported cigarettes that are not over 7 centimeters long.

The new tax is equivalent to about 2 cents per package of 20. It applies to all domestic cigarettes, since no "king-size" cigarettes are manufactured in the Republic. It does not apply to imported "king-size" brands which are approximately 8 centimeters in length. Retailers reportedly have raised prices of imported regular-size brands from 50 to 55 cents per pack, and "king-size" from 55 to 60 cents, although the latter are not affected by the new levy.

INDIA'S TOBACCO EXPORTS SET RECORD IN 1958

India's total exports of unmanufactured tobacco were at a record high in 1958--106 million pounds, compared with 80 million in 1957. Flue-cured exports, at 90 million pounds, were up 36 percent from the 66 million pounds of this kind of leaf shipped out in 1957. India was the world's third largest exporter of flue-cured leaf last year, ranking behind the United States and the Federation of Rhodesia and Nyasaland.

Major markets for Indian flue-cured leaf last year included the United Kingdom, with purchases of 41 million pounds, Communist China--21 million and the Soviet Union--7 million. Other important markets were the Netherlands, Belgium, Hong Kong, and French West Africa, each of which took at least 2 million pounds.

Average 1958 export prices for leaf moving to principal markets were as follows, expressed in terms of U.S. cents per pound: United Kingdom, 53.1 cents; China, 8.8 cents; Soviet Union, 15.2 cents; Netherlands, 13.9 cents; Belgium, 12.9 cents; French West Africa, 5.2 cents; and West Germany, 12.2 cents.

TOBACCO, UNMANUFACTURED: India, exports of flue-cured, 1957 and 1958, quantity and export price

Country of destination	1957		1958	
	Quantity	Average export price per pound 1/	Quantity	Average export price per pound 1/
	1,000 lb.	U.S. cents	1,000 lb.	U.S. cents
United Kingdom	33,767	51.2	41,262	53.1
Communist China	105	8.4	21,417	8.8
Soviet Union	6,435	12.5	7,060	15.2
Netherlands	5,057	15.1	2,920	13.9
Hong Kong	1,813	15.8	2,588	10.1
Belgium	3,252	14.4	2,553	12.9
Fr. West Africa	1,041	7.9	2,343	5.2
Egypt	1,975	25.5	1,843	22.4
Singapore	4,257	7.6	1,489	7.5
West Germany	965	13.0	1,421	12.2
Ireland	684	44.3	900	64.9
Others	6,604	21.7	4,591	25.0
Total	65,955	34.0	90,387	31.5

1/ Converted at 1 Rupee = 21 U.S. cents

Source: Monthly Statistics of Foreign Trade of India

RECORD ALMOND HARVEST FORECAST FOR MEDITERRANEAN AREA

The 1959 Mediterranean area almond harvest is now expected to set a record of about 105,000 short tons, shelled basis. This would be 83 percent larger than the 57,500 tons harvested in 1958 and about 60 percent larger than the 57,500 tons harvested in 1958 and about 60 percent more than the 65,000-ton average production during 1952-56. All Mediterranean countries have bumper almond harvests in prospect.

ALMONDS, SHELLED: Commercial production in selected countries, average 1952-56, annual 1956-58, forecast 1959

Country	Average 1952-56	1956	1957	1958	Forecast 1959
	Short tons	Short tons	Short tons	Short tons	Short tons
Morocco	2,900	1,600	2,200	6,500	4,000
Iran	6,500	5,000	10,000	9,000	11,000
Italy	30,300	13,000	53,000	15,000	57,000
Portugal	4,800	2,600	6,200	3,000	5,500
Spain	21,000	17,500	31,000	24,000	28,000
Total	65,600	39,700	102,400	57,500	105,500

When the 1959-60 marketing season begins on September 1, stocks carried over from previous seasons' production are expected to be large--approximately 20,000 tons for the Mediterranean countries. Almost all of these stocks will be in Italy, Spain, and Portugal. Carried-over stocks on September 1, 1958, were also around 20,000 short tons.

Italy expects a 1959 almond harvest of 57,000 tons, a record for postwar years and nearly 4 times as large as 1958 output. The bumper crop is attributed to ideal growing conditions and the "on-year" in the production cycle. Spain's harvest is forecast at 28,000 tons, about 33 percent larger than the 1952-56 average and about 17 percent more than the 24,000-ton production of 1958.

As a result of ideal growing conditions in Iran, that country's 1959 almond crop is estimated at a record 11,000 tons, or about 2,000 tons more than the 1958 harvest. Production conditions are very favorable for Portugal's oncoming almond harvest. Trees are carrying a good fruit set, and a crop of 5,500 tons is expected.

The forecast for Moroccan almond production (4,000 tons, shelled basis) is better than what might be expected following a season of heavy production. Substantially all of the large 1958 crop has already been marketed.

INDONESIAN GOVERNMENT GAINS MORE IMPORT CONTROL

Raw cotton, weaving yarn, textiles, jute, and flour are among 9 important commodities which have been placed under the direct control of the Indonesian Government. Others are newsprint, cement, concrete iron and rods, and tinplate. Rice, cloves, cambrics and fertilizers were already under government control.

The 9 commodities will be brought in by the government-appointed "Big VIII" importers. Activity of private business in Indonesian export-import agricultural trade is steadily decreasing.

BRAZIL NUT HARVEST ESTIMATE SHARPLY REDUCED

The 1959 Brazil nut harvest estimate has been revised sharply downward to 23,000 short tons, unshelled, from the previously published forecast of approximately 43,500 tons. The earlier estimate of 43,500 tons for 1958 Brazilian production continues unchanged. The 2,500-3,000 tons of Brazil nuts grown in Bolivia and marketed annually through Brazilian handlers are not included in the above figures.

Severe drought in northern Brazil and very high temperatures were responsible for the short 1959 crop.

At the end of May, prices for unshelled Brazil nuts, f.o.b. Belem, were fluctuating around 23 cents per pound, while shelled Brazils were being quoted at 70 cents per pound. About a year ago, unshelled Brazil nuts, medium grade, were selling at 10 to 12 cents per pound and shelled nuts between 38 and 40 cents per pound.

Exports of Brazil nuts, shelled and unshelled, for the first 3 months of 1958 and 1959, according to destinations, were:

Country of destination	Shelled		Unshelled	
	Jan.-March		Jan.-March	
	1958	1959	1958	1959
	- - Short tons - -		- - Short tons - -	
Argentina	---	---	135	---
Australia	---	5	---	---
Canada	12	13	---	---
Germany, West	11	1	139	---
United Kingdom	180	240	224	1,236
United States	389	279	---	87
Total	592	538	498	1,323

U. S. imports of Brazil nuts for calendar years 1956 - 1958 and the first 4 months of 1959 were as follows:

Source	1956	1957	1958	Jan.-April 1959
	Short tons	Short tons	Short tons	Short tons
Shelled:				
Bolivia	252	674	422	146
Brazil	3,804	4,524	4,365	740
Peru	54	44	42	26
Other	19	102	59	25
Total	4,129	5,344	4,888	937
Unshelled:				
Total (Brazil)	13,104	10,451	9,197	38

MEXICAN VEGETABLE SHIPMENTS TO U. S.

From May 16 through May 31, the following Mexican vegetables crossed the border at Nogales, Arizona: watermelons, 9,572,000 pounds; cantaloups, 5,732,000; tomatoes, 892,000; peppers, 143,000; and garlic, 117,000. Some of these vegetables may be sold in Canada.

RAIN HELPS SOME
MEXICAN CROPS

Abundant rains in many districts of central and northern Mexico during May were generally beneficial to agriculture. However, torrential rains, hail, and wind seriously damaged deciduous fruit in the States of Puebla and Verazruz. Some cotton lands in the Laguna region have been replanted after rain and hail damaged the first planting.

Growing conditions are good in most of the cotton-producing areas. However, the Matamoros crop, earliest in the producing areas, is about 3 weeks late. The outlook now is for a total Mexican cotton crop about 24 percent smaller than in 1958.

Prospects for beans, corn, wheat, and oilseeds are good. Feed grain imports are expected to be negligible, and imports of fats and oils are expected to be low during the last half of 1959. Beans, however, are expected to be imported in quantity.

The movement of cattle and beef to the United States was heavy during May. Several small outbreaks of New Jersey vesicular stomatitis during the month led to a quarantine along the Mexican border for the first 3 days of June. This quarantine was lifted after routine laboratory analysis verified the diagnosis.

ARGENTINE WOOL EXPORTS UP SHARPLY IN OCTOBER-MAY

Shipments of raw wool from Argentina in the first 8 months (October-May) of the 1958-59 season totaled 281 million pounds, actual weight, compared with 143 million pounds in the entire 1957-58 season. Exports to principal destinations were: United States (80 million), United Kingdom (46 million), France (32 million), and the U.S.S.R. (30 million).

These large shipments reduced the exportable surplus on June 1 to approximately 158 million pounds, grease basis -- considerably below last season's October 1 carryover of 185 million pounds.

AUSTRALIA SHIPS LIVE LAMBS TO U.S.

A Sydney, Australia, firm is making a first shipment of 30,000 lambs to the United States. The lambs were to leave Sydney on June 22 and arrive at San Diego about mid-July. A coastal passenger liner, the Delfino (ex-Westralia), has been converted to carry lambs on a full-time basis once every 2 months. Press reports in Australia indicate that the Sydney firm plans to send about 200,000 slaughter lambs to the United States yearly.

On their arrival, the lambs will be on feed and in quarantine for 30 days, after which time they will be slaughtered.

The Delfino will carry approximately 1,000 tons of concentrates and fodder. Forty-six men, including a team of 6 student-veterinaries, will care for the lambs during the 20-day voyage.

The 30,000 lambs are reported to have cost £A 90,000 ($202,500), or about $6.75 per head.

AUSTRALIAN BEEF SHIPMENTS TO U.S.

Three ships sailed from Australia at the end of May with a total of 925,120 pounds of frozen beef for the United States.

Ship	Destination	Quantity (pounds)
Mariposa	Los Angeles	152,320
	San Francisco	423,360
Gjertrud Bakke	Los Angeles	22,400
	San Francisco	58,240
	Seattle	89,600
Pioneer Gem	New York	134,400
	Chicago	44,800

PORK HOLDINGS IN CANADA A PROBLEM

The Canadian Agricultural Stablization Board is having difficulty in moving its ever-increasing pork holdings into consumption. The board's cold storage holdings are expected to reach 100 million pounds by the end of June. It sees little possibility of sales except perhaps abroad.

DOMINION WOOL PRICES STEADY IN MAY

Average prices of Dominion wools (Australia, New Zealand, and South Africa) in May were equal to those in April, except for the coarser types, which were up 1 cent.

Prices for most types matched or were above year-earlier levels, but still 25 to 35 percent below the previous peak in May 1957. Weekly averages, however, evidenced a slight downward trend in contrast to the sharp rise during April.

Australian auction prices during the first week of June were about 8 percent below the season's peak of late April. Offerings were larger than expected and of characteristic end-of-season low quality.

WOOL: Clean cost per pound, c.i.f. United Kingdom, based on auction sales in the Dominions and London, specified dates

Quality	1958	1959				
	May	January	February	March	April	May
	U. S. dollars	U. S. dollars	U. S. dollars	U. S. dollars	U. S. dollars	U. S. dollars
70's	1.23	.91	.93	.96	1.14	1.14
64's	1.10	.85	.90	.92	1.10	1.10
60's	1.03	.79	.84	.86	1.03	1.03
58's	.94	.77	.81	.82	.97	.97
56's	.83	.77	.77	.77	.86	.86
50's	.68	.65	.69	.69	.79	.80
48's	.63	.64	.67	.67	.77	.78
46's	.61	.63	.65	.65	.76	.77

Source: New Zealand Wool Commission.

URUGUAYAN WOOL EXPORTS INCREASE IN 1958-59

Exports of Uruguayan wool during the first 8 months of the 1958-59 season, which began October 1, were higher than in the entire 1957-58 season. Supplies have been reduced sharply and shipments in April and May were much lower than in the earlier months of the season.

Shipments of raw wool in October-May totaled 100 million pounds, compared with last season's total of 97 million pounds. Exports of tops in the same periods were 19 and 17 million pounds, respectively. Major destinations for raw wool were the U.S.S.R., the United States, and the United Kingdom. The sharp increase in shipments to the Sino-Soviet Bloc in the past 2 seasons reflects in part a change from indirect buying through the Netherlands to direct purchases in Uruguay. The Netherlands was the principal importer of Uruguayan wool in 1956-57.

Exports of tops in October-May went mainly to the Netherlands, Hungary, Switzerland, Italy, and Communist China. Shipments to the United States have not increased significantly following the removal of the countervailing duty early this year, as total shipments were only 233,000 pounds.

U.S. SENDING MORE VARIETY MEATS TO FRANCE

France has been importing increasing quantities of U.S. variety meats. Imports of the principal item, frozen pork livers, have grown rapidly since 1950, and reached about 5 million pounds in 1958.

Although French imports of U.S. pork livers have been limited materially because of restrictions on import licenses, they accounted for about 30 percent of the volume of total French imports of this commodity last year.

All types of variety meats imported from the United States made up 2 percent of the value of France's total meat imports. France does not permit imports of other kinds of U.S. meat.

VARIETY MEATS: French imports from the United States, 1956-58

Year	Quantity	Value	Percent of total French meat imports (by value)
	1,000 lb.	1,000 dol.	Percent
1956	3,956	586	.8
1957	3,365	582	.7
1958	4,804	1,093	1.7

AUSTRALIA ENLARGES TRADE PROMOTION PROGRAM FOR U. K.

It has been officially announced that approximately £A 1,250,000 ($2,800,000) will be spent in the year beginning July 1 to promote Australian exports to the United Kingdom. This is about £A 250,000 ($560,000) more than the amount spent in 1958-59.

The trade promotion campaign is financed through contributions by the Commonwealth Government, Australian Marketing Boards, United Kingdom merchants, and Australian exporters.

Emphasis will be placed on publicity to increase sales of all Australian food products in the United Kingdom. Chief among the agricultural commodities to be promoted are dried fruits, apples and pears, meats, canned fruits, eggs, dairy products, and wine.

NEW ZEALAND EXPLORES PERUVIAN MARKET

New Zealand's efforts to find new outlets for its agricultural products are indicated by recent trade promotion activities in Peru. Shipping lines are cooperating by carrying trial shipments to Peru enroute to the United Kingdom. So far interest has been shown in milk powder, butter, canned asparagus, and small amounts of mutton.

INDONESIA PASSES BILL TO INCREASE FOOD OUTPUT

Indonesia enacted a bill in May to establish a government institution to increase food production.

An organization named "Badan Perusahaan Produksi Bahan Makanan" (BMPT) is to: (1) intensify food production by establishing "paddy centers"; (2) stimulate food output on dry lands, either by managing owned farms or by reclaiming land to be distributed among peasants; (3) reclaim tide lands; and (4) increase mechanization of farming.

Agreements have been signed with Japan, the Soviet Union, and Czechoslovakia for tractors and other equipment. The first shipment of 280 tractors, about one-third of the total number purchased, arrived from Czechoslovakia in May. This was too late for a rice-growing project to be carried out this year. In addition to the Czech tractors, 600 Soviet tractors are expected later this year.

Regional instructors are being trained at an Agricultural Mechanization Cadre Course at Pasar Minggu, and will in turn train tractor drivers and mechanics. Also, a course to train estate managers and supervisors has been set up at the Agricultural College of the University of Indonesia at Bogor. Progress in the mechanization program is likely to be slow and costly, but the program is gaining momentum.

MORE NATIVE-GROWN COFFEE IN KENYA

In the year ending June 1958, the area planted to coffee in the African land units of Kenya increased from 15,272 acres to 23,140 acres. The number of African growers rose from 57,210 to 83,452. As of last June, they were organized in 98 cooperative societies, which were operating 111 coffee factories and 223 nurseries containing 4,842,000 seedlings.

NEW EXPORT DUTY
FOR CEYLON TEA

Effective June 1, the export duty on Ceylon tea underwent changes that will aid producers of low-priced tea. In the past, each pound of tea was subject to the same export duty, regardless of the price the tea brought at auction. Now the export duty will be determined by the selling price of the tea.

The export duty on tea selling below 1.85 rupees (U.S. 39 cents) per pound will be 0.35 rupees (U.S. 7 cents per pound; and the maximum rate of 1.05 rupees (U.S. 22 cents) will be levied on teas bringing 3.25 rupees (U.S. 68 cents) and over.

INDIA TAKES FURTHER STEPS TO
CONTROL SUGAR PRICES

The Government of India's anxiety about domestic sugar prices, which have risen 10 to 20 percent in late April and early May this year, has engendered 2 more official actions intended to check the rising market.

On May 27, 1959, the government announced its decision to control the entire output of the sugar mills, rather than the 25 percent formerly subject to direct allocation by the government. This is being done to permit strict control over allocations from mills to wholesalers. Evidently an earlier decision to license sugar wholesalers throughout the country failed to have the desired price-stabilizing effect. Now the government will make allocations to dealers in various states in relation to consumption requirements and the need to check undue price fluctuations.

The government also has reduced the current season's export quota from 100,000 long tons to 25,000 tons. As a result, the export program will be less of a strain on available supplies.

CUBA ESTABLISHING COOPERATIVES
TO GROW TOMATOES

The Cuban Government has set aside $3 million to form cooperatives that will produce staked tomatoes for export. About 1,300 acres of tomatoes will be planted in Las Villas Province, using equipment and facilities to be bought from a former U. S. grower. Production and marketing will be supervised by an experienced U. S. grower for a commission on export sales.

WEST GERMANY ISSUES GLOBAL TENDER FOR CANNED FRUIT

West Germany has issued an import tender for canned apricots, peaches, pears, fruit salad, and fruit cocktail packed in cans smaller than 5 kilograms (11 pounds). Licenses will be issued from June 8 to August 14, with customs clearance by August 31, 1959. Licenses are granted to German importers on the basis of previous imports. The amount of the tender has not been stated.

Country, payment, and origin of shipment must be identical, with certain exceptions that do not apply to the United States.

GERMAN MILK GOING INTO BUTTER; CHEESE IMPORTS STILL HEAVY

West German cattle numbers were about the same in 1958 as a year earlier, but there was a significant change in the composition of dairy herds. Breeding heifers replaced many older cattle, draft animals, and animals destroyed under the tuberculosis-eradication campaign. Greater yield per cow brought a 4-percent increase in milk production over 1957.

A shift from farm use of milk to commercial marketing was accelerated in 1958 by a government subsidy to encourage delivery to dairy plants. However, since utilization of milk for fluid consumption did not increase and there was a sharp increase in imports of low-priced cheese and dry whole milk, most of the increased milk supply went into creamery butter. Production of dry whole milk and cheese declined.

Because of the larger domestic supply, the government has issued no butter import tenders since November 1957. Entries have been limited to 1,000-gram imports permitted private citizens and to small quantities for transshipment or cheese-processing. Imports of market butter in 1958 and the first quarter of 1959 have therefore been negligible. First-quarter imports dropped to 313,000 pounds in 1959, compared with 35 million in 1957 and 6.6 million in 1958.

The government intends to further limit imports by reducing to 250 grams quantity of butter that private citizens can import. Butter production in early 1959 indicates that domestic output this year will again adequately meet German needs.

German imports of cheese--heavier in 1958 than in preceding years--continued to increase in the first quarter of 1959, totaling about 54 million pounds, compared with 44 million for the corresponding period in 1958. Even though the major cheese suppliers, the Netherlands and Denmark, have agreed to stabilize prices on sales to Germany (with a similar arrangement for dry whole milk), domestic cheese and dry milk production in 1959 will continue to be hampered by foreign competition.

West German milk production in 1959 is expected to increase further, and longer-term prospects are for a downtrend in imports of dairy products as a whole.

NORTHERN HEMISPHERE WHEAT
PROSPECTS FAVORABLE

The outlook for the Northern Hemisphere's 1959 wheat crop is generally favorable, according to preliminary information available to the Foreign Agricultural Service. The harvest is getting under way in southern Europe, and good outturns are expected in most areas despite some reports of dryness.

Forecasts indicate that U. S. wheat production will be about 1.2 billion bushels, well above average but sharply below last year's record crop. Canada's wheat seeding has only recently been completed. Intended acreage was 22.7 million acres, 9 percent above the 1958 area. Seeding has been later than last season, with delays mainly because of cool, unsettled weather during the first half of May. Germination has been generally good; however, moisture is at a critically low level and timely rains will be needed to prevent rapid deterioration.

In Western Europe winter kill was negligible, and conditions in this predominantly winter wheat area have been promising throughout most of the growing season. Recently, however, dryness in some parts has threatened to reduce yields. The outlook for France is promising and a slightly larger crop than last year is expected, despite a reduced acreage. In Italy, also, acreage is smaller but production is expected to be only moderately below the record 1958 harvest. In West Germany, recent dryness is a cause for concern as it has caused damage in some northern sections--mainly to spring crops.

Wheat has made good growth in the United Kingdom and the outlook is good, on the whole. Parts of the south, however, were in need of rain, at latest report.

Limited information on Eastern Europe indicates a favorable outlook for that area. Yugoslavia has been expecting a bumper crop; acreage is larger, with a greater proportion of the high-yielding Italian varieties. Winter wheat in most other countries of Eastern Europe appears to be in good condition. Dry conditions in some sections are affecting spring grains mainly.

The Soviet Union's spring wheat area decreased for the second successive year, though the 1959 goal was exceeded slightly by June 1. Spring wheat is important in this area; in 1957 acreage seeded to this type reached a record 125 million acres; it declined to 118 million in 1958 and to 112.5 million acres this year. However, the current acreage is still 37 million acres above that of 1953, the year before the large expansion began in the "new lands" region. Total wheat area in 1958 was 165 million acres. Winter wheat acreage for 1959 has not been announced.

Preliminary estimates place the recently completed wheat harvest in India and Pakistan at an alltime high. India's crop, now placed at 390 million bushels, is much larger than the 1958 crop of 286 million bushels. Acreage was only slightly larger than in 1958 but yields were up about 20 percent. Pakistan has harvested some 150 million bushels, compared with 137 million a year ago. Acreage was larger than in 1958 but yields show little change.

The wheat harvest in Japan is expected to be below average again this year. Forecast at about 49 million bushels, the crop is slightly above last year's but still below average because of below-average acreage. The outlook for Turkey is much less favorable than at this time last year. Acreage is down, mainly because dryness in October and November delayed seeding. Rainfall has continued below normal throughout the wheat belt and development of the crop is from 4 to 6 weeks later than usual.

Conditions in North Africa vary somewhat. Tunisia's crop appears to be larger than last year. Some hail damage has been reported in Algeria, and locusts were also a threat to the crop, at latest report. Wheat acreage is smaller than last year in Morocco. Condition of the crop is reported generally satisfactory despite some damage from excessive heat in early May.

BRAZIL'S RICE CROP REDUCED BY STORMS AND DROUGHT

Brazil's 1958-59 rice crop has been sharply reduced by diverse weather. The largest acreage on record was planted, but floods in the State of Rio Grande do Sul and drought in the central states greatly decreased the yields. The harvest is mainly March to May.

Production in 1958-59 is now estimated at 8,200 million pounds of rough rice, compared with nearly 8,800 million pounds in 1957-58 and the 1956-57 record of 9,151 million pounds. An estimated 6.4 million acres were planted, compared with 6.28 million acres in the year before.

Before the mid-April floods, Rio Grande do Sul's rice crop was expected to be a record 900,000 metric tons of rough rice. The rains reduced the harvest to around 700,000 tons. Trade reports from the State of Sao Paulo predicted a 30-percent reduction by drought in the commercial rice crop of upland areas in the central states. These states--Sao Paulo, Minas Gerais, Goias, and Mato Grosso--grow more than half of Brazil's rice crop.

The State of Rio Grande do Sul is not expected to have enough rice to meet the 1959 needs of central Brazil. No rice will be available for export. The state's prices to producers, and wholesale and retail prices have been rising.

Exports from Rio Grande do Sul for the past 8 seasons are tabulated on the following page.

RICE: Brazil, domestic shipments and exports from the State of Rio Grande do Sul, April 1951 through March 1959

Year	Domestic Shipments				Exports	Total Shipments
	Federal District	Sao Paulo	Others	Total		
	1,000 mil. tons	1,000 mil. tons	1,000 mil. tons	1,000 mil. tons	1,000 mil. tons	1,000 mil. tons
1951-52	55.7	5.1	76.9	137.7	86.2	223.9
1952-53	109.9	76.9	98.8	285.6	145.6	431.2
1953-54	123.8	130.9	73.3	328.0	0	328.0
1954-55	140.4	88.0	58.7	287.1	0	287.1
1955-56	139.9	82.7	72.9	295.5	2.5	298.0
1956-57	156.8	138.0	64.0	358.8	100.2	459.0
1957-58	152.5	94.4	51.2	298.1	0.3	298.4
1958-59	185.3	114.2	71.3	370.8	38.8	409.6

Source: Instituto Rio Grandense do Arroz.

CUBAN RICE CROP ESTIMATE LOWERED; MILLED RICE TYPES CLASSIFIED

Cuba's 1958-59 rice crop is now estimated at 475 million pounds of rough rice from 249,000 acres harvested. The estimate is 25 million pounds below the previous estimate and 100 million pounds less than in the preceding year. Rice acreage dropped about 20,000 acres.

Cuba's 1959 rice acreage to be harvested mainly in November is expected to be about the same as in 1958; if weather is good, production could be at the 1958 level. It is too early to predict the acreage of the 1960 spring crop.

In Cuban Resolution No. 15, published May 7, and effective 30 days later, the Cuban Rice Stabilization Administration established a scale of 10 types of rice, and required the type to be specified on all containers. The resolution is about as follows:

(1) Clean rice, domestic as well as imported, must have marked on its containers the following data: (a) the brand, (b) the variety, (c) the type (percentage of broken grains), (d) the weight, and (e) the processing mill.

(2) The type of locally produced rice or of imported clean rice (of the types authorized by Decree No. 1781, June 27, 1955) shall be set forth on the container under the following scale (types are classified according to percentage of broken grains): No. 1--up to 10 percent; No. 2--11 to 20; No. 3--21 to 30; No. 4--31 to 40; No. 5--41 to 50; No. 6--51 to 60; No. 7--61 to 70; No. 8--71 to 80; No. 9--81 to 90; and No. 10--91 to 100.

On containers holding up to 4 percent broken grains the mark for No. 1 type may be replaced by the legend "100 x 100."

(3) The mixture of whole grains of different varieties to form any of the types authorized is prohibited.

(4) The mixture of different varieties of the "100 x 100" type and No. 1 are prohibited.

(5) Whole grains of one variety may be mixed with broken grains of another to form types Nos. 2 to 5, with the variety of the whole grains specified on the containers.

(6) In the preparation of types under the scale, the use of "cabecilla," or brewers' rice, is prohibited.

(7) If the provisions of the resolution are not met, the rice involved shall be confiscated; the RSA shall decide the final disposition thereof and shall penalize those guilty of the infringement.

(8) The President of the RSA is charged with the enforcement of this resolution.

Rice imports from July 1958 through April 1959 were 379 million pounds of milled rice and 9.1 million pounds of seed rice. According to unofficial data, May imports through Havana only were 14 million pounds of milled rice and 320,000 pounds of seed. All rice imports were from the United States.

JAPAN'S WHEAT CROP SLIGHTLY LARGER

Japan's 1959 wheat harvest is forecast at 48.6 million bushels, a slight increase over the 1958 crop of 47.1 million bushels. However, this is still less than average because of below-average acreage. Both 1958 and 1959 wheat acreages are estimated at about 1.5 million acres, compared with the 1950-54 average of about 1.8 million.

Growing conditions have been favorable throughout the season, and yields are estimated at 32.8 bushels per acre. Yields during 1950-54 averaged 30.2 bushels per acre, 8 percent less than the current yield.

Japan is one of the principal import markets for U.S. wheat, total imports for the past 3 seasons averaging about 90 million bushels. Consumption of wheat is stable, and import requirements for the 1959-60 season will continue large.

URUGUAY BANS OILCAKE
AND MEAL EXPORTS

On May 26, Uruguay banned exports of oilcakes and meals. The ban was imposed following losses of other feedstuffs as a result of recent floods. In recent years oilcake and meal exports have been sizable, totaling 66,896 short tons in 1958.

ARGENTINE SUNFLOWER SEED
OUTPUT DOWN SHARPLY

Argentine 1958-59 sunflower seed production is placed at 386,900 short tons, according to the first official estimate. This is less than one-half the 836,000 tons produced in 1957-58 and the smallest outturn since 1954-55, when the harvest was only 311,730 tons. Planted area of 3,335,850 acres (second estimate) was down about one-fifth from the previous year. Moreover, root rot disease and heavy rains substantially reduced yields.

The 1958-59 flaxseed crop was 24,400,000 bushels (third estimate), slightly less than the 24,800,000 bushels produced in 1957-58 but one-third larger than the 1950-54 average.

COTTON CONSUMPTION PROSPECTS
IMPROVING IN DENMARK

Cotton consumption in Denmark has increased recently from the reduced level that prevailed during the first part of this season.

An increase in consumer purchasing power has strengthened demand for cotton goods, and stocks of yarn and textiles have been reduced somewhat. Consumption of 21,000 bales (500 pounds gross) during August-February 1958-59 was 12 percent below a year earlier. However, in view of the improving textile situation, total consumption this season probably will be around the 1957-58 level of 38,000 bales.

Cotton imports and stocks are expected to remain low during the rest of this season. While the improvement in consumption will increase raw cotton requirements somewhat, mills probably will hold imports to a minimum in anticipation of lower prices beginning August 1, 1959.

Imports into Denmark during August-March 1958-59 were 22,000 bales (preliminary), down 37 percent from last season's comparable imports of 35,000 bales. Imports from the United States dropped sharply. As in most other importing countries, Danish mills shifted most of their cotton purchases to lower-priced foreign growths.

Principal sources of the August-March 1958-59 imports, with comparable 1957-58 figures in parentheses, were: Peru 8,000 bales (9,000); United States 8,000 (25,000); Mexico 3,000 (0); and Egypt 1,000 (156). Cotton stocks on March 1, 1959, were approximately 11,000 bales, compared with 13,000 bales on August 1, 1958.

CANADIANS USE LESS COTTON IN MAY

Canadian cotton consumption during May 1959 amounted to 30,000 bales (500 pounds gross). This was a decline of 14 percent from April consumption of 35,000 bales, although 7 percent above the 28,000 bales used in May 1958.

Consumption during August-May 1958-59 totaled 313,000 bales--up 5 percent from the 297,000 bales used in the corresponding 1957-58 period.

COTTON CROP IN RHODESIAS AND NYASALAND SAME AS LAST YEAR

The 1958-59 cotton crop in the Federation of Rhodesia and Nyasaland is estimated at 8,000 bales (500 pounds gross), the same as last year's crop.

About 95 percent of the Federation's production is grown in Nyasaland, mostly on individual, small landholdings. Nyasaland farmers sell their seed cotton to the Agricultural Production and Marketing Board, which operates over 60 markets throughout the territory. For the 1958-59 crop, farmers received an equivalent of about 7 U. S. cents per pound for grade 1 seed cotton and about 2.5 cents for grade 2. In terms of lint cotton these prices were equivalent to an estimated 23 cents and 8 cents per pound for grades 1 and 2, respectively.

In recent years annual cotton production has fluctuated between 6,000 and 15,000 bales, depending on insect damage, weather, and prices. All cotton produced in the Federation is raingrown. However, some irrigation experiments are being carried on.

Cotton consumption by the Federation's one spinning mill, in Southern Rhodesia, amounts to about 20,000 bales annually. Small quantities of higher-quality cotton are exported each year, mostly to the United Kingdom.

CANADA CANCELS FIXED VALUATION ON FROZEN PEAS

On June 15, the Canadian Government canceled the fixed valuation for duty purposes on frozen peas. This valuation had been made effective February 10, 1958, because of alleged sales of U. S. frozen peas at distress prices.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

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INDIAN CASHEW HARVEST AND EXPORTS TO BE SMALLER

Indian raw cashew production for 1959 (including an allowance of 4,000 tons for Portuguese Coa) is now estimated at 71,000 short tons. It was earlier forecast at 82,000 tons. The reduction is attributed to rains early in the year; quality of the crop, however, is regarded as satisfactory. India produced 77,000 tons of raw cashews in both 1957 and 1958.

India will import fewer East African raw cashews this year than it has in recent seasons. In early June, about 74,000 tons had been received by Indian importers, with 16,000 tons more expected before the season's end. Imports of East African raw nuts totaled 124,000 tons in 1958, and 107,400 tons in 1957, but an estimated 9,000 tons were discarded in 1957 because of inferior quality.

Indian exports of processed kernels in 1959 are expected to approximate $1\frac{1}{2}$ million cases. Exports in 1958 totaled about 1-3/4 million cases. Between January 1 and early June 1959, kernel exports amounted to 700,000 cases. As in previous years, the United States was by far the largest purchaser. The Soviet Union took more than usual. And Japan made its first purchase of kernels this spring -- 5,000 cases.

Prices for both raw and processed cashews have firmed since the start of the season. In early June, African raw nuts were selling for $138 per ton, c.i.f. Cochin, and Indian domestically produced cashews were quoted at $131 per ton. At the same time, the export price for processed kernels was 48 cents per pound, c. & f. New York, with some sales at 50 cents per pound.